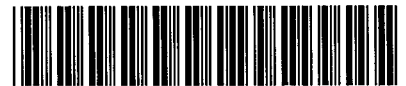


ORIGINAL



0000048084

MEMORANDUM

30

TO: Docket Control  
Arizona Corporation Commission

FROM: Ernest G. Johnson  
Director  
Utilities Division

Date: April 21, 2006

RE: STAFF REPORT FOR WEST END WATER COMPANY – APPLICATION  
FOR EXTENSION OF ITS CERTIFICATE OF CONVENIENCE AND  
NECESSITY FOR WATER SERVICE (DOCKET NO. W-01157A-05-0706)

Attached is the Staff Report for West End Water Company's application for extension of its existing Certificate of Convenience and Necessity for water service. Staff is recommending approval with conditions.

EGJ:BNC:tdp

Originator: Blessing Chukwu

AZ CORP COMMISSION  
DOCUMENT CONTROL

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RECEIVED

Service List for: West End Water Company  
Docket No. W-01157A-05-0706

J. Scott Rhodes  
Jennings, Strouss & Salmon, P.L.C.  
The Collier Center, 11<sup>th</sup> Floor  
201 East Washington Street  
Phoenix, Arizona 85004-2385

Mr. Christopher C. Kempley  
Chief, Legal Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Mr. Ernest G. Johnson  
Director, Utilities Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Ms. Lyn Farmer  
Chief, Hearing Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

STAFF REPORT  
UTILITIES DIVISION  
ARIZONA CORPORATION COMMISSION

WEST END WATER COMPANY

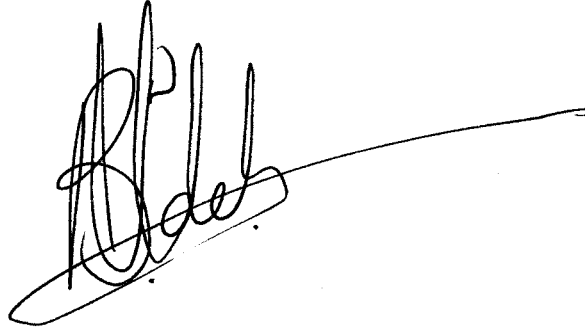
DOCKET NO. W-01157A-05-0706

APPLICATION FOR EXTENSION  
OF EXISTING CERTIFICATE OF  
CONVENIENCE AND NECESSITY

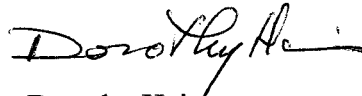
APRIL 21, 2006

## STAFF ACKNOWLEDGMENT

The Staff Report for West End Water Company (Docket No. W-01157A-05-0706) was the responsibility of the Staff members signed below. Blessing Chukwu was responsible for the review and analysis of the Company's application. Dorothy Hains was responsible for the engineering and technical analysis.

A stylized, handwritten signature in black ink, featuring a large, looped 'B' and 'C' that are interconnected, with a long horizontal line extending to the right.

Blessing Chukwu  
Executive Consultant III

A handwritten signature in black ink, appearing to read 'Dorothy Hains' in a cursive script, followed by a horizontal line.

Dorothy Hains  
Utilities Engineer



**EXECUTIVE SUMMARY  
WEST END WATER COMPANY  
DOCKET NO. W-01157A-05-0706**

On October 5, 2005, West End Water Company ("West End" or "Company") filed an application with the Arizona Corporation Commission ("ACC" or "Commission") for an extension of its Certificate of Convenience and Necessity ("CC&N") to provide water service to a portion of Maricopa County, Arizona. On February 3, 2006, Staff filed a Sufficiency Letter indicating that the application had met the sufficiency requirements of the A.A.C. R14-2-402(C).

By this application, the Company is seeking Commission authority to add approximately one quarter square mile to its existing certificated area. West End's certificated area is located in an area northwest of the City of Surprise and the City of Phoenix, in Maricopa County. The requested area is adjacent to the Company's existing service area and is located in the northwest quarter of Section 25 in Township 5 North, Range 3 West.

On March 28, 2006, the City of Surprise ("the City") filed an Application for Leave to Intervene. In its Application, the City of Surprise stated that it "anticipates providing water and sewer services to the area targeted by West End Water Company for future service." The City also alleged that "West End Water Company's Application seeks authority to provide water utility service to an area that is within the City of Surprise's planned annexation area and which the City intends to serve."

Based on Staff's review and analysis of the application, Staff believes that the Company will have adequate production and storage capacity to serve the requested area with the addition of the new wells and storage tank.

Staff recommends the Commission approve the West End application for an extension of its CC&N within portions of Mohave County, Arizona, to provide water service, subject to compliance with the following conditions:

1. To require West End to charge its authorized rates and charges in the extension area.
2. To require West End to file with Docket Control, as a compliance item in this docket, a Notice of Filing indicating West End has submitted for Staff review and approval, a copy of the fully executed main extension agreements for water facilities for the extension area within 365 days of a decision in this case.
3. To require West End to file with Docket Control, as a compliance item in this docket, a copy of the Maricopa County Environmental Services Department Approval to Construct ("ATC") for the new wells and storage tank by December 31, 2006.
4. To require West End to file with Docket Control, as a compliance item in this docket, a copy of the developer's Certificate of Assured Water Supply, where applicable or when required by statute, by December 31, 2007.

5. To require West End to file a curtailment tariff as soon as possible, but no later than forty-five (45) days after the effective date of the order in this matter. The tariff shall be filed with Docket Control as a compliance item in this docket for Staff's review and certification. The tariff shall generally conform to the sample tariff found on the Commission's web site at [www.cc.state.az.us](http://www.cc.state.az.us). Staff recognizes that the Company may need to make minor modifications according to its specific management, operational, and design requirements as necessary and appropriate.
6. To require West End to file with Docket Control, as a compliance item in this docket, a copy of Maricopa County franchise agreement for the requested area within 365 days of the decision in this matter.
7. To require West End to file a plan to reduce its water loss to less than 10%. This plan should be filed within 45 days of a decision in this matter. If the Company believes that it is not cost effective to reduce its water loss to less than 10%, it shall file a detailed analysis with Docket Control explaining why it is not cost effective to do so.
8. To require West End to reduce its water loss to a level that is 15 percent or less before filing for approval of any new main extension agreements.

Staff further recommends that the Commission's Decision granting the requested CC&N extension to West End be considered null and void, after due process, should West End fail to meet Condition Nos. 2, 3, 4, 5, 6, and 7 listed above within the time specified.

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## **Introduction**

On October 5, 2005, West End Water Company ("West End" or "Company") filed an application with the Arizona Corporation Commission ("ACC" or "Commission") for an extension of its Certificate of Convenience and Necessity ("CC&N") to provide water service to a portion of Maricopa County, Arizona.

On November 4, 2005, the ACC Utilities Division ("Staff") filed an Insufficiency Letter, indicating that the Company's application did not meet the sufficiency requirements of Arizona Administrative Code ("A.A.C.") R14-2-402(C). A copy of the Insufficiency Letter was sent to the Company via U.S mail. In the letter, Staff listed the deficiencies that needed to be cured for administrative purposes.

On January 4, 2006, and January 30, 2006, the Company provided additional documentation to support its relief requested.

On February 3, 2006, Staff filed a Sufficiency Letter indicating that the application had met the sufficiency requirements of the A.A.C. R14-2-402(C).

## **Background**

West End is an Arizona Corporation, in good standing with the Commission's Corporation Division, and engaged in providing water service to customers in portions of Maricopa County, Arizona. West End was incorporated on March 7, 1979. The original CC&N for the Company was granted by the Commission in Decision No. 16649, issued on September 23, 1946, in Docket No. 10545-E-1157, under the name Spear Seven Water Company. On July 14, 1979, the Commission issued Decision No. 50079, in Docket No. 1045-E-1157, approving the transfer of Spear Seven Water Company's CC&N to West End. West End's only shareholder is Mr. J. D. Campbell, the President. Mr. Campbell also owns Sunrise Water Company. Altogether, Mr. Campbell's Water Companies provide water service to approximately 1,535 customers in Arizona.

By this application, the Company is seeking Commission authority to add approximately one quarter square mile to its existing certificated area. West End's certificated area is located in an area northwest of the City of Surprise and the City of Phoenix, in Maricopa County. The requested area is adjacent to the Company's existing service area and is located in the northwest quarter of Section 25 in Township 5 North, Range 3 West.

## **Finance of Utility Facilities**

The Company indicated in the application that it will finance the required utility facilities through Company-provided funding and Advance in aid of construction. Advances in aid of construction are often in the form of Main or Line Extension Agreements ("MXAs"). MXAs are standard industry practice. The minimal acceptable criteria for line extension agreements

between water utilities and private parties are established by A.A.C. R14-2-406. These agreements generally require the developer to design, construct and install (or cause to be), all facilities to provide adequate service to the development. The developer is required to pay all costs of constructing the required facilities necessary to serve the development. Upon acceptance of the facilities by the Utility Company, the developer conveys the utility facilities through a warranty deed to the Utility Company. Utility Companies will often refund ten (10) percent of the annual water revenue associated with development for a period of ten (10) years.

Staff recommends that West End file with Docket Control, as a compliance item in this docket, a Notice of Filing indicating West End has submitted for Staff review and approval, a copy of the fully executed main extension agreements for water facilities for the extension area within 365 days of a decision in this case.

### **The Water System**

West End operates two separate systems. They are the Wheat System which is assigned Public Water System ("PWS") No. 07-167, and the Wittmann System which is assigned PWS No. 07-067. The Wheat system consists of a single well<sup>1</sup>, 10,000 gallons of storage capacity and a distribution system serving 14 customers. The Wittmann system consists of one well<sup>2</sup>, 200,000 gallons of storage capacity and a distribution system serving 215 customers. The Wittmann system will be utilized to serve the requested area.

Although the Wittmann system has adequate production and storage capacity to serve its existing customer base, there is inadequate storage and production capacity to serve all 443 customers in the requested area. The Company plans to add two new wells<sup>3</sup> and an 800,000 gallon storage tank to the Wittmann system. The Company plans to begin installation of this new plant in the Spring of 2006 and complete its construction in 2007. Staff concludes that the Company will have adequate production and storage capacity to serve the requested area with the addition of the new wells and storage tank.

Staff recommends that West End file with Docket Control, as a compliance item in this docket, a copy of the Maricopa County Environmental Services Department Approval to Construct ("ATC") for the new wells and storage tank by December 31, 2006.

The wastewater generated by West End's customers is treated by septic tank. According to Mr. Marvin E. Collins, the Manager of West End, wastewater service to the area will be supplied by the City of Surprise. The area is within the City of Surprise's "Maricopa Association of Government" Section 208 Planning Area.

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<sup>1</sup>This well produces 26 gallons per minutes ("GPM") and does not support a fire flow requirement.

<sup>2</sup>This well produces 250 GPM and supports a fire flow requirement of 500 GPM for 2 hours.

<sup>3</sup>Each well is designed to produce 750GPM.

### **Maricopa County Environmental Services Department ("MCESD") Compliance**

MCDES reported that both the Wheat and Wittmann systems are in Compliance with its requirements and are currently delivering water that meets water quality standards required by Arizona Administrative Code, Title 18, Chapter 4<sup>4</sup>.

### **Arizona Department of Water Resources ("ADWR") Compliance**

West End is located in the Phoenix Active Management Area, as designated by ADWR. ADWR reported that West End is in compliance with its reporting and conservation rules<sup>5</sup>.

The Company has not yet received a copy of the Developer's Certificate of Assured Water Supply for the area being requested from the ADWR. As such, Staff recommends that West End be ordered to file with Docket Control, as a compliance item in this docket, a copy of the developer's Certificate of Assured Water Supply, where applicable or when required by statute, by December 31, 2007.

### **ACC Compliance**

According to the Utilities Division Compliance Section, West End has no outstanding ACC compliance issues. The Company is current in its property tax payments.

### **Arsenic**

The U.S. Environmental Protection Agency ("EPA") has reduced the arsenic maximum contaminant level ("MCL") in drinking water from 50 micrograms per liter ("µg/l") or parts per billion ("ppb") to 10 µg/l. The date for compliance with the new MCL is January 23, 2006. The most recent lab analysis of the two wells indicates that the arsenic levels are below the new arsenic MCL of 10 µg/l.

### **Curtailment Plan Tariff**

A Curtailment Plan Tariff ("CPT") is an effective tool to allow a water company to manage its resources during periods of shortages due to pump breakdowns, droughts, or other unforeseeable events. Since the Company does not have a curtailment tariff, this application provides an opportune time to prepare and file such a tariff. As such, Staff recommends that the Company file a curtailment tariff as soon as possible, but no later than forty-five (45) days after the effective date of the order in this matter. The tariff shall be filed with the Commission's Docket Control as a compliance item in this docket for Staff's review and certification.

---

<sup>4</sup>MCESD issued its compliance status report on February 2, 2006.

<sup>5</sup> Compliance status per phone message dated February 10, 2006.

Staff further recommends that the tariff shall generally conform to the sample tariff found on the Commission's web site at [www.cc.state.az.us](http://www.cc.state.az.us). Staff recognizes that the Company may need to make minor modifications according to its specific management, operational, and design requirements as necessary and appropriate.

### **Proposed Rates**

West End has proposed to provide water utility service to the extension area under its authorized rates and charges.

### **County Franchise**

Every applicant for a CC&N and/or CC&N extension is required to submit to the Commission evidence showing that the applicant has received the required consent, franchise or permit from the proper authority. If the applicant operates in an unincorporated area, the company has to obtain the franchise from the County. If the applicant operates in an incorporated area of the County, the applicant has to obtain the franchise from the City/Town.

The extension area is located in an unincorporated area of Maricopa County. As such, Staff recommends that the Company be required to file with Docket Control, as a compliance item in this docket, a copy of Maricopa County franchise agreement for the requested area within 365 days of the decision in this matter.

### **Application of the City of Surprise for Leave to Intervene**

On March 28, 2006, the City of Surprise ("the City") filed an Application for Leave to Intervene. In its Application, the City of Surprise stated that it "anticipates providing water and sewer services to the area targeted by West End Water Company for future service." The City also alleged that "West End Water Company's Application seeks authority to provide water utility service to an area that is within the City of Surprise's planned annexation area and which the City intends to serve." On March 30, 2006, Staff sent a Request for Information to the Representatives of the City via e-mail seeking additional information regarding the planned annexation. (See Attachment C) The City responded to Staff's Request for Information, on April 13, 2006. (See Attachment D).

Staff duplicated a map of the City of Surprise General Planning Area (attached to a March 8, 2006 letter from Mr. K. Scott McCoy, City Attorney, to the Arizona Corporation Commission) and overlaid the service territories of public service companies in and around the City's General Planning Area. (See Attachment E) In reviewing Attachment E, Staff notes that there are several public service companies that operate within the City of Surprise Planning Area. The public service companies are Arizona-American Water Company, Beardsley Water Company, Inc., Chaparral Water Company, Circle City Water Company, LLC, Morristown Water Company, Puesta del Sol Water Company, and West End Water Company. Staff also notes that the extension area is approximately one and one half mile outside the corporate city

limits of the City of Surprise, but is within the City's General Planning Area and is bordered on two sides (west and south) by Beardsley Water Company, Inc., and bordered on the northern side by West End's existing CC&N. According to West End's January 4, 2006 response to Staff's November 4, 2005 Insufficiency Letter, the requested area represents approximately 30% of the proposed Walden Ranch development. The remaining 70% of the development is within West End's existing CC&N. Staff further notes that it appears that two public service companies, certificated by this Commission, namely: Arizona-American Water Company, and Beardsley Water Company, Inc., provide services within the corporate city limits of the City of Surprise.

### **Water Loss**

Based on the Company's Water Usage Data for the period of July 2004 through July 2005, the Wittmann system had a 19 percent water loss. Staff recommends that lost water should be 10 percent, or less, but never more than 15 percent. The Company reported that it is aware of its water loss problem and is taking steps to reduce lost water to a level below 10 percent.

Staff recommends that the Company file a plan to reduce its water loss to less than 10%, this plan should be filed within 45 days of a decision in this matter. If the Company believes that it is not cost effective to reduce its water loss to less than 10%, it shall file a detailed analysis with Docket Control explaining why it is not cost effective to do so. Staff further recommends that the Company reduce its water loss to a level that is 15 percent or less before filing for approval of any new main extension agreements.

### **Recommendations**

Staff recommends the Commission approve the West End application for an extension of its CC&N within portions of Mohave County, Arizona, to provide water service, subject to compliance with the following conditions:

1. To require West End to charge its authorized rates and charges in the extension area.
2. To require West End to file with Docket Control, as a compliance item in this docket, a Notice of Filing indicating West End has submitted for Staff review and approval, a copy of the fully executed main extension agreements for water facilities for the extension area within 365 days of a decision in this case.
3. To require West End to file with Docket Control, as a compliance item in this docket, a copy of the Maricopa County Environmental Services Department Approval to Construct ("ATC") for the new wells and storage tank by December 31, 2006.
4. To require West End to file with Docket Control, as a compliance item in this docket, a copy of the developer's Certificate of Assured Water Supply, where applicable or when required by statute, by December 31, 2007.



5. To require West End to file a curtailment tariff as soon as possible, but no later than forty-five (45) days after the effective date of the order in this matter. The tariff shall be filed with Docket Control as a compliance item in this docket for Staff's review and certification. The tariff shall generally conform to the sample tariff found on the Commission's web site at [www.cc.state.az.us](http://www.cc.state.az.us). Staff recognizes that the Company may need to make minor modifications according to its specific management, operational, and design requirements as necessary and appropriate.
6. To require West End to file with Docket Control, as a compliance item in this docket, a copy of Maricopa County franchise agreement for the requested area within 365 days of the decision in this matter.
7. To require West End to file a plan to reduce its water loss to less than 10%. This plan should be filed within 45 days of a decision in this matter. If the Company believes that it is not cost effective to reduce its water loss to less than 10%, it shall file a detailed analysis with Docket Control explaining why it is not cost effective to do so.
8. To require West End to reduce its water loss to a level that is 15 percent or less before filing for approval of any new main extension agreements.

Staff further recommends that the Commission's Decision granting the requested CC&N extension to West End be considered null and void, after due process, should West End fail to meet Condition Nos. 2, 3, 4, 5, 6, and 7 listed above within the time specified.

## MEMORANDUM

DATE March 14,2006

TO: Blessing Chukwu

FROM: Dorothy Hains DH

RE: West End Water Co.  
CC&N Extension - Water  
Docket No. W-01157A-05-0706

---

### I. Introduction

West End Water Co. ("West End" or "Company") has applied to extend its Certificate of Convenience & Necessity ("CC&N") to provide water service in an area northwest of the City of Surprise and the City of Phoenix, in Maricopa County. The requested service area that is one quarter square mile is adjacent to the Company's existing service area and is located in the northwest quarter of Section 25 in Township 5 North, Range 3 West. If the proposed extension is approved, the Company projects that within five years approximately 443 customers in the requested area will be served by the Company.

### II. System Analysis

West End operates two separate systems; the Wheat System<sup>1</sup> and the Wittmann System<sup>2</sup>. The Wheat system consists of a single well<sup>3</sup>, 10,000 gallons of storage capacity and a distribution system serving 14 customers. The Wittmann system consists of one well<sup>4</sup>, 200,000 gallons of storage capacity and a distribution system serving 215 customers. The Wittmann system will be utilized to serve the requested area.

Although the Wittmann system has adequate production and storage capacity to serve its existing customer base, there is inadequate storage and production capacity to serve all 443 customers in the requested area. The Company plans to add two new wells<sup>5</sup> and an 800,000 gallon storage tank to the Wittmann system. The Company plans to begin installation of this new plant in the spring of 2006 and complete its construction in 2007. Staff concludes that the Company will have adequate production and storage capacity to serve the requested area with the addition of the new wells and storage tank. Staff recommends that the Company file with the Commission's Docket Control, as a compliance item in this docket, a copy of the Maricopa County Environmental Services

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<sup>1</sup> Wheat System's Public Water System ("PWS") number is 07-167.

<sup>2</sup> Wittmann System's PWS number is 07-067.

<sup>3</sup> This well produces 26 gallons per minutes ("GPM") and does not support a fire flow requirement.

<sup>4</sup> This well produces 250 GPM and supports a fire flow requirement of 500 GPM for 2 hours.

<sup>5</sup> Each well is designed to produce 750GPM.

Department ("MCESD") Approval to Construct ("ATC") for the new wells and storage tank by December 31, 2006.

### **III. MCESD Compliance**

MCDES reported that both the Wheat and Wittmann systems are in Compliance with its requirements and are currently delivering water that meets water quality standards required by Arizona Administrative Code, Title 18, Chapter 4<sup>6</sup>.

### **IV. Arizona Department of Water Resources ("ADWR") Compliance**

West End is located in the Phoenix Active Management Area, as designated by ADWR. ADWR reported that West End is in compliance with its reporting and conservation rules<sup>7</sup>.

The Company has not yet received a copy of the Developer's Certificate of Assured water Supply for the request area from ADWR. Staff recommends that the Company file with Docket Control as a compliance item, copies of the Developer's Certificate Assured Water Supply no later than December 31, 2007.

### **V. Arizona Corporation Commission Compliance**

A check with the Utilities Division Compliance Section showed no outstanding compliance issues.<sup>8</sup>

### **VI. Others Issues**

#### **A. Arsenic**

The latest lab test results show arsenic levels in both wells are below the new arsenic standard of 10 micrograms per liter.

#### **B. Curtailment Tariff**

A curtailment tariff is an effective tool to allow a water company to manage its resources during periods of shortages due to pump breakdowns, droughts, or other unforeseeable events. Since the Company does not have a curtailment tariff, this application provides an opportune time to prepare and file such a tariff. Staff recommends that the Company file a curtailment tariff as soon as possible, but no later than forty-five (45) days after the effective date of the order in this matter. The tariff shall be filed with the Commission's Docket Control as a compliance item in this docket for Staff's review and certification.

---

<sup>6</sup> MCESD issued its compliance status report on February 2, 2006.

<sup>7</sup> Compliance status per phone message dated February 10, 2006.

<sup>8</sup> Compliance Section email dated January 10, 2006.

Staff further recommends that the tariff shall generally conform to the sample tariff found on the Commission's web site at [www.cc.state.az.us](http://www.cc.state.az.us). Staff recognizes that the Company may need to make minor modifications according to its specific management, operational, and design requirements as necessary and appropriate.

### **C. Water Loss**

Based on water usage data for the period of July 2004 through July 2005, the Wittmann system had a 19 per cent water loss. Staff recommends that lost water should be 10 percent, or less, but never more than 15 percent. The Company reported that it is aware of its water loss problem and is taking steps to reduce lost water to a level below 10 percent.

Staff recommends that the Company file a plan to reduce its water loss to less than 10%. This plan should be filed within 45 days of a decision in this matter. If the Company believes that it is not cost effective to reduce its water loss to less than 10%, it shall file a detailed analysis with Docket Control explaining why it is not cost effective to do so. Staff further recommends that the Company reduce its water loss to a level that is 15 percent or less before filing for approval of any new main extension agreements.

### **Summary**

#### **I. Conclusions**

1. Staff concludes that the Company will have adequate production and storage capacity to serve the requested area with the addition of the new wells and storage tank.
2. MCDES reported that both the Wheat and Wittmann systems are in Compliance with its requirements and currently delivering water that meets water quality standards required by Arizona Administrative Code, Title 18, Chapter 4.
3. West End is in compliance with ADWR's reporting and conservation rules.
4. A check with the Utilities Division Compliance Section showed no outstanding compliance issues.

#### **II. Recommendations**

1. Staff recommends that the Company file with the Commission's Docket Control as a compliance item in this docket a copy of the Maricopa County Environmental Services Department ("MCESD") Approval to Construct ("ATC") for the new wells and storage tank by December 31, 2006.
2. Staff recommends that the Company file with the Commission's Docket Control as a compliance item in this docket a copy of the developers' Certificate of Assured Water Supply by December 31, 2007.

3. Staff recommends that the Company file a curtailment tariff as soon as possible, but no later than forty-five (45) days after the effective date of the order in this matter. The tariff shall be filed with the Commission's Docket Control as a compliance item in this docket for Staff's review and certification. Staff further recommends that the tariff shall generally conform to the sample tariff found on the Commission's web site at [www.cc.state.az.us](http://www.cc.state.az.us).
4. Staff recommends that the Company file a plan to reduce its water loss to less than 10%. This plan should be filed within 45 days of a decision in this matter. If the Company believes that it is not cost effective to reduce its water loss to less than 10%, it shall file a detailed analysis with Docket Control explaining why it is not cost effective to do so. Staff further recommends that the Company reduce its water loss to a level that is 15 percent or less before filing for approval of any new main extension agreements.

MEMORANDUM

TO: Blessing Chukwu  
Executive Consultant III  
Utilities Division

FROM: Barb Wells *bw*  
Information Technology Specialist  
Utilities Division

THRU: Del Smith *DS*  
Engineering Supervisor  
Utilities Division

DATE: December 5, 2005

RE: **WEST END WATER COMPANY (DOCKET NO. W-01157A-05-0706)**

The area requested by West End for an extension has been plotted with no complications using the legal description provided with the application (a copy of which is attached).

Also attached is a copy of the map for your files.

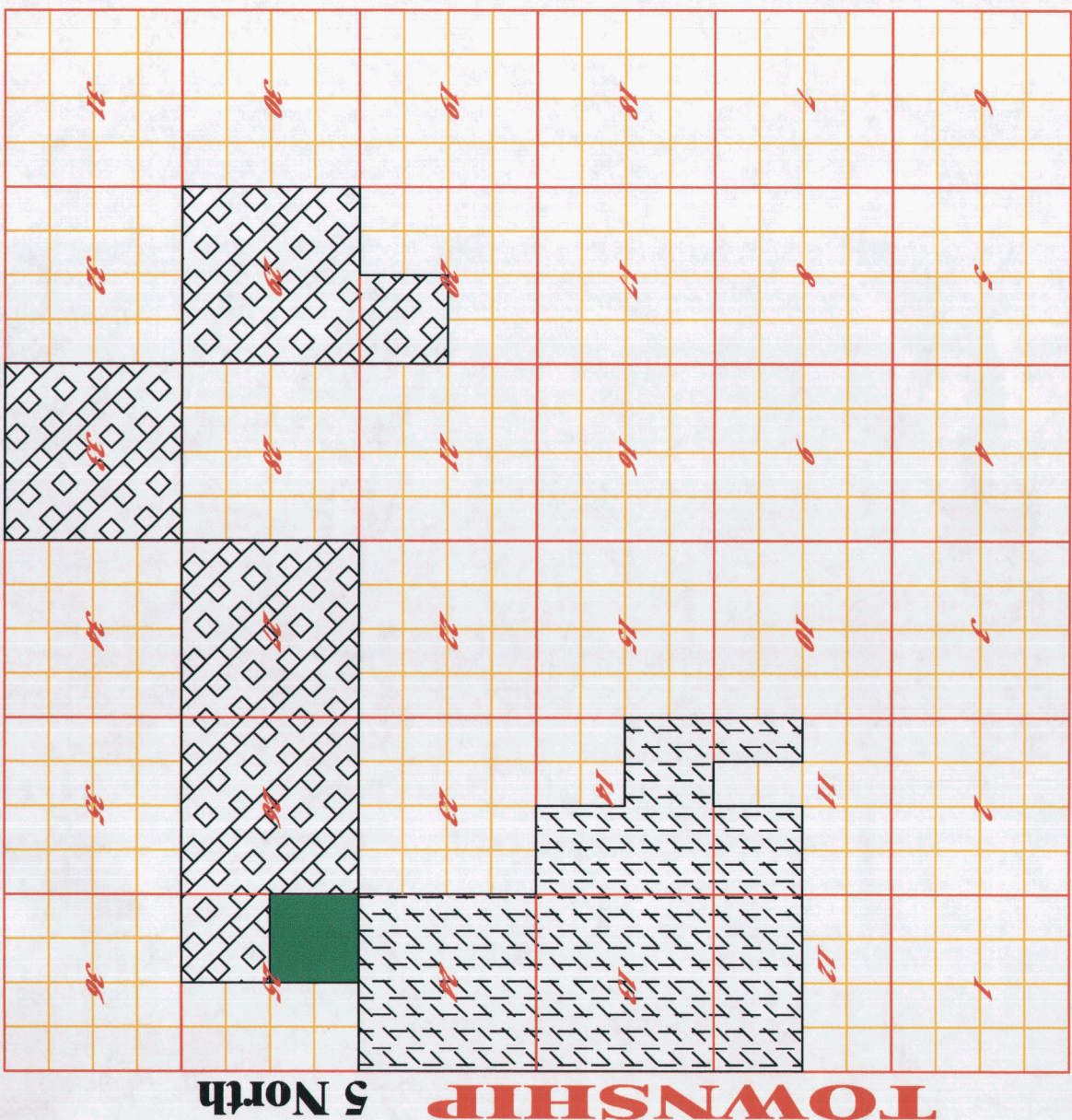
:bsw

## Attachments

cc: Docket Control  
Mr. J. Scott Rhodes  
Ms. Deb Person (Hand Carried)  
File



# RANGE 3 West



**Beardsley Water Company, Inc.**

# West End Water Company

**West End Water Company  
Docket No. W-01157A-05-0706  
Application for Extension**



## ATTACHMENT "B"

Maricopa	25	5N	3W
COUNTY	SECTION	TOWNSHIP	RANGE

	6			5				4				3			2		1
	7			8				9				10			11		12
	18			17				16				15			14		13
	19			20				21				22			23		24
	30			29				28				27			26		25
	31			32				33				34			35		36

Type or Print Description Here:

NW 1/4 of Section 25 R5N T3W



**Blessing Chukwu**

---

**From:** Blessing Chukwu  
**Sent:** Thursday, March 30, 2006 6:04 PM  
**To:** 'Scott.McCoy@surpriseaz.com'; 'jburke@omlaw.com'  
**Cc:** Blessing Chukwu; Steven Olea; David Ronald  
**Subject:** Request for Information re: Motion to Intervene filed on March 28, 2006 (West End Water Company Docket # W-01157A-050706)

Greetings! I am in the process of writing my Staff Report and will appreciate it if you would provide the following information to me:

1. Please confirm whether or not the requested area (the NW 1/4 of Section 25, Range 5 North, Township 3 West) is within the corporate city limits of the City of Surprise.
2. Please provide the timetable or timeline for the City of Surprise's planned annexation area.
3. In the planned annexation, is the City of Surprise planning to annex only the West End Water Company's requested extension area or will it include the surrounding area? Please explain in detail. Also, please provide a legal description of the area that will be annexed.
4. Does the City of Surprise currently provide water and wastewater services outside its city limits? Please provide a map that depicts the City's water and wastewater service territory.

Thanks for your assistant. BNC

The Phoenix Plaza  
21st Floor  
2929 North Central Avenue  
Phoenix, Arizona 85012-2793

P.O. Box 36379  
Phoenix, Arizona 85067-6379

Telephone 602.640.9000  
Facsimile 602.640.9050



A PROFESSIONAL ASSOCIATION  
ATTORNEYS AT LAW

www.osbornmaledon.com

Danielle D. Janitch

Direct Line 602.640.9381  
Direct Fax 602.640.6062

djanitch@omlaw.com

April 13, 2006

Docket Control  
Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, AZ 85007

Re: The Application of West End Water Company for an Extension of its Certificate of Convenience and Necessity (CC&N), **Docket No. W-01157A-05-0706**

Dear Madam/Sir:

This letter provides answers to the four questions emailed on March 30, 2006 by Ms. Blessing Chukwu to the City of Surprise (which applied to intervene in this above matter on March 28, 2006).

**Question 1:**

Please confirm whether or not the Requested Area (the NW ¼ of Section 25, Range 5 North, Township 3 West) is within the corporate city limits of the City of Surprise.

**Response to Question 1:**

The Requested Area, part of the Walden Ranch development, while not presently within the corporate city limits of the City of Surprise, is with the City of Surprise's General Planning Area ("GPA"). The City intends to move diligently in annexing land within its GPA and, pursuant to that strategy, anticipates that the Requested Area will be annexed.

Currently, the southern boundary of the Walden Ranch development is within 1 mile of the City of Surprise's corporate city limits. However, the City of Surprise expects to complete the annexation of two other nearby developments, Sunhaven Ranch and Asanti North, by July 2006, as well as certain State Trust lands by later this year. When these annexations are completed, the City of Surprise's corporate limits will be within ½ mile on the south and east of the Walden Ranch development.

**Question 2:**

Please provide the timetable or timeline for the City of Surprise's planned annexation area.

**Response to Question 2:**

As explained in the Response to Question 1, the City of Surprise intends to move diligently in annexing its entire GPA, which is broken down into six Special Planning Areas ("SPAs"). Attached hereto as Exhibit A is a map showing the SPAs. Pursuant to the Surprise General Plan 2020, ratified by public vote on March 13, 2001 and amended on December 22, 2005, as well as the Surprise Annexation Policy, dated June 13, 2002, the entire GPA is proposed to be annexed no later than 2020.

Today, there are annexation projects ongoing in all of the SPAs, as shown by the Tentative Annexation Map, prepared on March 24, 2006, attached hereto as Exhibit B. For example, it is expected that Annexation Areas B and H will be annexed within the next four months and Annexation Areas A, C, E, F, G, and J will be annexed shortly thereafter.

At this time, the City is conducting short term planning for annexation of Walden Ranch development, including researching whether to approach annexation from the south or east following the anticipated July 2006 annexations mentioned above in Response to Question 1. Devising a fixed annexation solution at this time for the Walden Ranch development is difficult because the surrounding area is highly fragmented, with multiple landowners.

**Question 3:**

In the planned annexation, is the City of Surprise planning to annex only the West End Water Company's requested extension area or will it include the surrounding area? Please explain in detail. Also, please provide a legal description of the area that will be annexed.

**Response to Question 3:**

The City of Surprise plans to annex the entire GPA. Both the Requested Area and the entire area that West End Water Company presently services are within this GPA. Please see Exhibit A for a map and description of the six SPAs within the GPA. The City of Surprise currently plans to annex the entire Walden Ranch development at one time. This annexation will not occur until sometime after July 2006, when the City's annexation of nearby areas is complete. At that time, the City will complete its study of the Walden Ranch development area and specifically determine what approach it will take to annex the entire development. Once an approach has been determined, the City of Surprise will then be able to estimate by what date the Walden Ranch development will be annexed.

**Question 4:**

Does the City of Surprise currently provide water and wastewater services outside its city limits? Please provide a map that depicts the City's water and wastewater service territory.

**Response to Question 4:**


**Wastewater:** The City of Surprise presently provides sewer services not only within its city limits, but also to lands outside the GPA. Further, the City of Surprise has already been designated as the sewer service provider for all future development within its entire GPA, as it identified and included all GPA lands within the City of Surprise's "Maricopa Association of Governments Section 208 Sewer Service Area." There are no competing sewer providers in the GPA, except for the pre-existing Arizona American (originally the Citizens Water Company) Sewer Service Area Franchise within SPA1.<sup>1</sup> Attached hereto as Exhibit C is a map depicting the sewer providers for the GPA.

Additionally, the Surprise City Counsel has agreed to enter into a Pre-Annexation Development Agreement with the proposed Broadstone Ranch development, located in SPA5 approximately one mile north of the Walden Ranch development. Under this agreement, the City of Surprise has agreed to provide water and sewer services to Broadstone Ranch development prior to the annexation of Broadstone Ranch development, and Broadstone Ranch development has agreed to work to expedite its annexation into the City of Surprise. This effort to provide water and sewer services outside the City limits, until annexation is possible, is expected to continue throughout the GPA.

**Water:** The City of Surprise presently provides water services only within its city limits. Attached hereto as Exhibit D is a map depicting the water providers for the GPA. However, as explained above, the City of Surprise has agreed to provide water and sewer services to Broadstone Ranch development prior to the annexation of Broadstone Ranch development.

If you have any questions regarding these responses, or if additional follow-up questions surface, please do not hesitate to contact me.

Sincerely,



Danielle D. Janitch

DDJ:jjm  
Enclosures

cc: Blessing Chukwu (w/enclosures, via electronic mail)  
J. Scott Rhodes, Esq. (w/enclosures), Attorney for West-End Water Company

**Original and 13 copies** filed with  
Docket Control this 13th day of April, 2006.

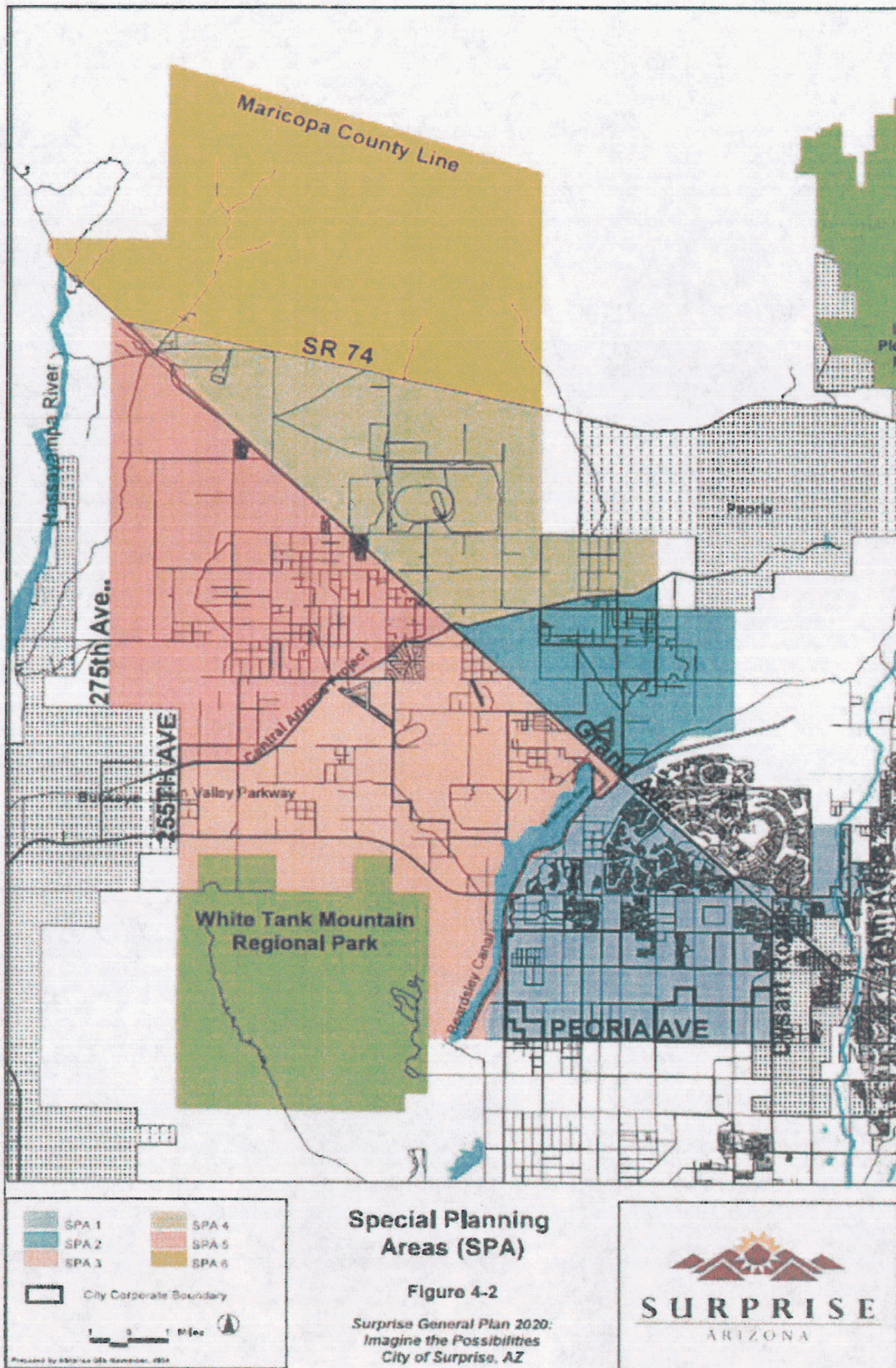
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<sup>1</sup> Arizona American provides services to Sun City, a small strip of commercial property developed in conjunction with Sun City, and several small developments at the eastern City limits along Bell Road. Arizona American has no plans to expand its sewer service to add additional customers within the City of Surprise GPA.

A



# CITY OF SURPRISE SPECIAL PLANNING AREAS





**SPA-1**

The western and central regions of SPA-1 are generally bordered by Perryville Road to the west, Dysart Road to the east, Peoria Avenue to the south, the Beardsley Canal to the northwest, and Grand Avenue to the northeast. The eastern region of SPA-1 generally extends east of Dysart Road and north of Greenway Road to Bell Road. This area includes the original town site, an area between the original town site and Sun City Phase II further east, and an area north of Bell Road between Sun City Phase II and Sun City West.

**SPA-2**

SPA-2 exists north and northwest of SPA-1 and the Beardsley Canal, and north of Grand Avenue. SPA-2 roughly extends easterly to the Litchfield Road alignment, and is bound to the north and northwest by the Central Arizona Project (CAP) canal and the City of Peoria.

**SPA-3**

SPA-3 exists west and northwest of SPA-1 and the Beardsley Canal, extending west to 255th Avenue and the City of Buckeye. SPA-3 is bordered to the south by Peoria Avenue and the White Tank Mountain Regional Park, to the northeast by Grand Avenue, and to the northwest by the CAP canal.

**SPA-4**

SPA-4 exists north and northwest of SPA-2 and the CAP canal and north of Grand Avenue. SPA-4 is bordered to the north by State Road 74 and extends west to roughly the intersection of State Road 74 and Grand Avenue.

**SPA-5**

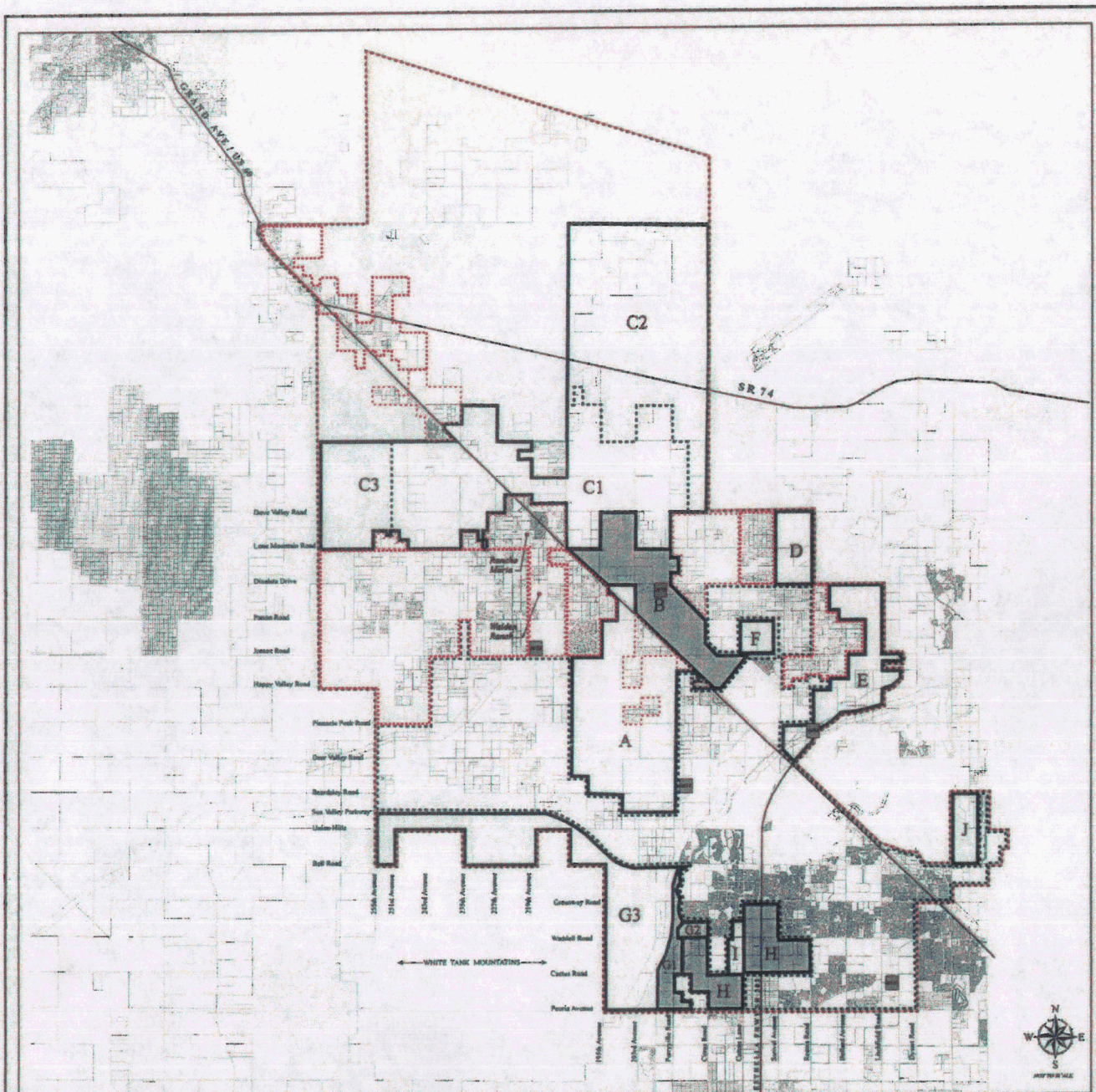
SPA-5 exists north and northwest of SPA-3 and the CAP canal, and south of SPA-4 and Grand Avenue. SPA-5 extends further west than SPA-3 to 275th Avenue north of Happy Valley Road to roughly to the intersection of State Road 74 and Grand Avenue. Current city boundaries extends roughly north to Jomax Road.

**SPA-6**

SPA-6 exists north of SPA-4 and State Road 74 and extends north to the fringe of Maricopa County.

**B**





### CITY OF SURPRISE TENTATIVE ANNEXATION MAP

#### LEGEND

- State Lands
- Bureau of Land Management
- Annexations in Progress
- Short Term Research Area
- Long Term Research Area
- Incorporated Area
- General Planning Area
- WTP



Note: Letters designate annexation areas shown on the above map.

Area	Annexation Projects
A	Volvo Proving Grounds, Northwest Regional Landfill
B	Asante North, Sunhaven Ranch
C1	Chrysler Proving Grounds, Wittman Ranch, Broadstone Ranch, BNSF, Grand Oasis, Nelson 160
C2	Lake Pleasant 5000
C3	State Lands
D	Marisol Ranch
E	Rancho Mercado
F	Sunrise Ranch
G1	Zanjero Trails
G2	Waddell Haciendas
G3	State Lands
H	Presada
I	County Island Infill
J	River Bottom

3/24/06

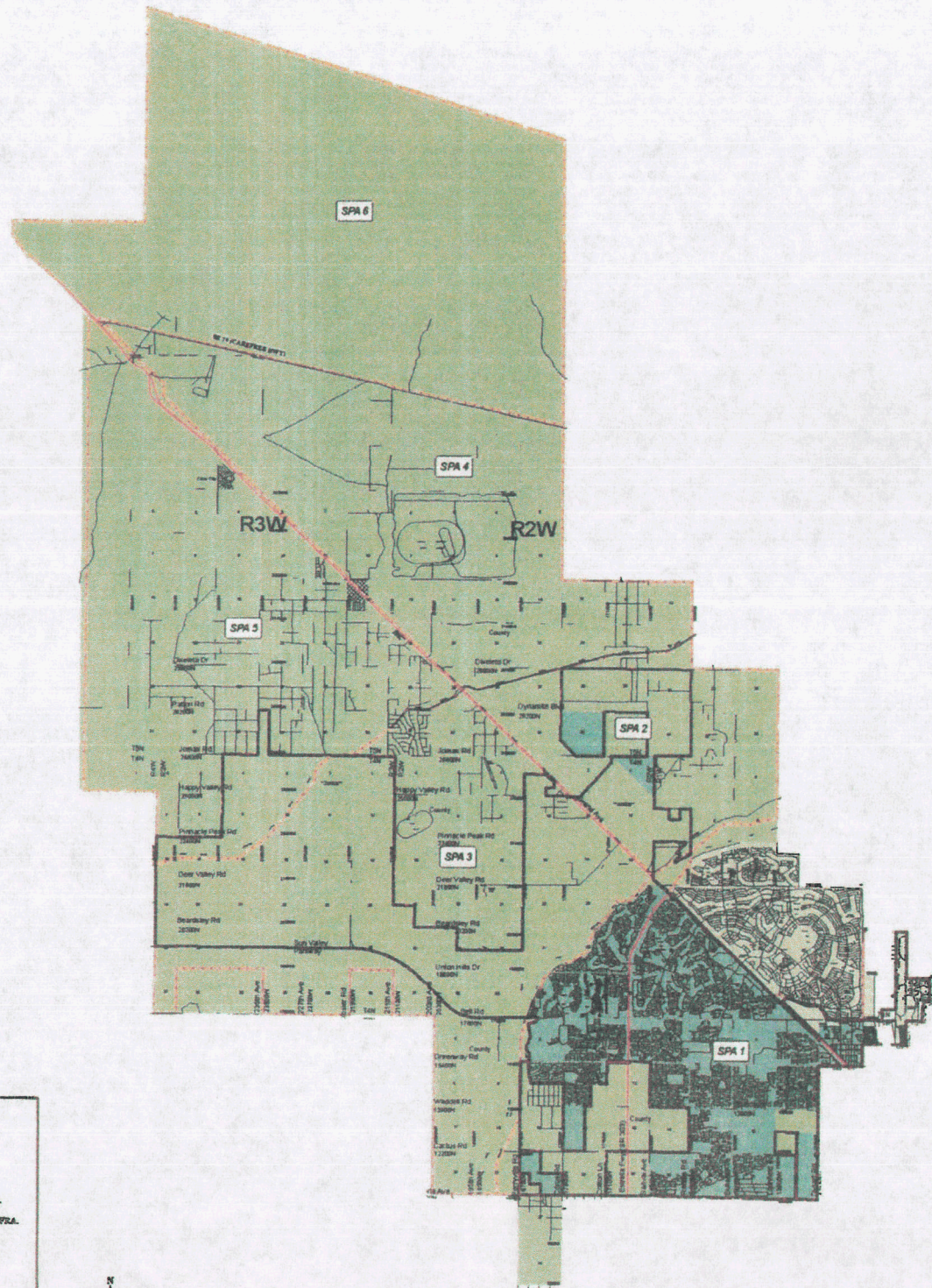


C





# **Sewer Providers for City of Surprise General Planning Area**



**LEGEND**

**SEWER PROVIDERS**

- ARIZONA AMERICAN
- SURPRISE SGA - EXIST. INFRA.
- SURPRISE SGA - NO EXIST. INFRA.
- Special Planning Areas
- Surprise Corporate Limits
- LOCAL ROADS
- SIDEWALK
- Township - Range - Section

PL 0000000000



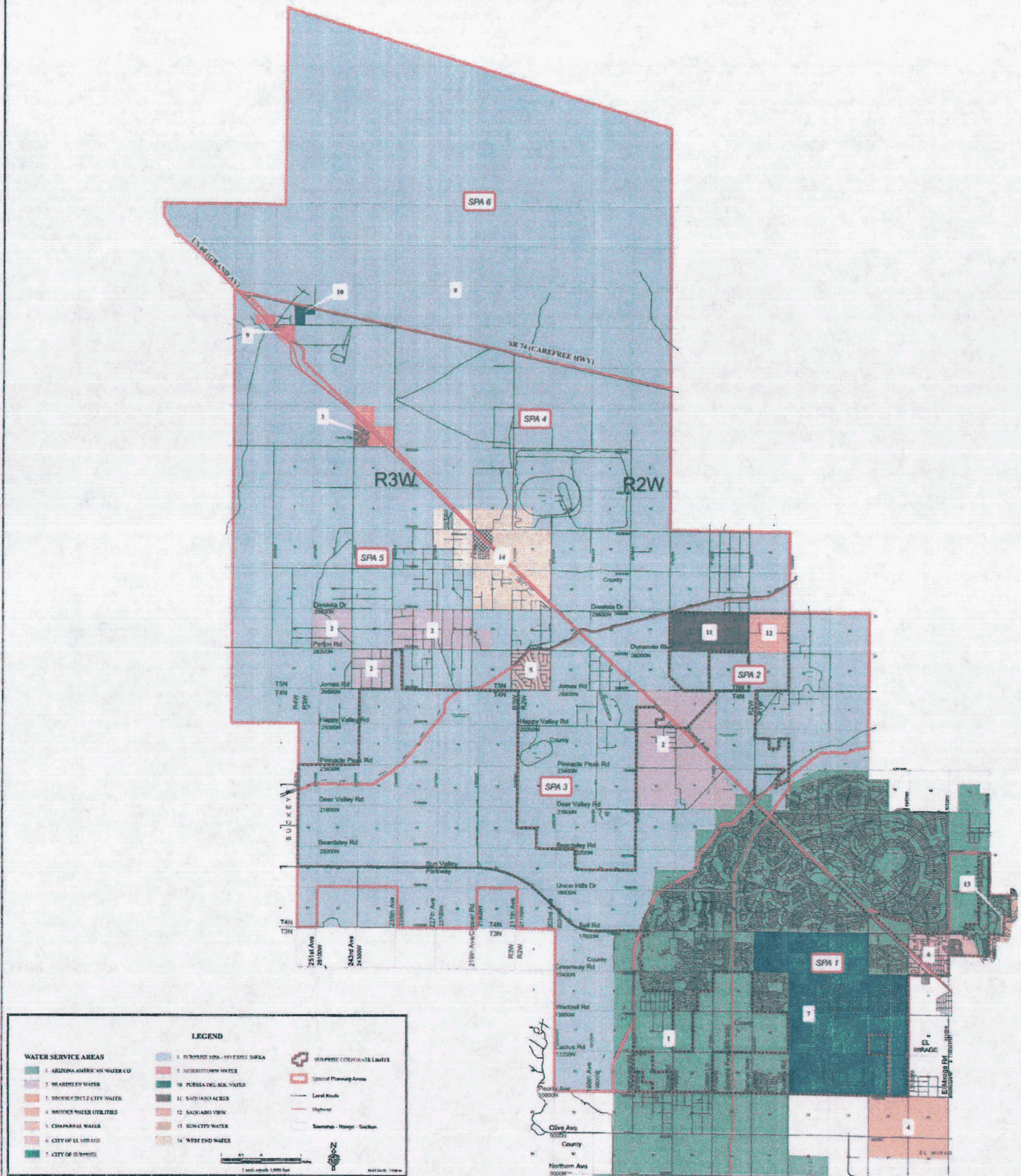
For additional information contact the city of Surprise Water Services Dept. at 623-475-4260.  
NOTE: The City of Surprise makes no claims concerning the accuracy of the data provided nor assumes any liability resulting from the use of the information here-in.



D



# WATER PROVIDERS in the CITY of SURPRISE GENERAL PLAN AREA



NOTE: The City of Surprise makes no claims concerning the accuracy of the data provided nor assumes any liability resulting from the use of the information herein.



# City of Surprise General Planning Area

## Pending Applications

West End Water Company  
Docket No. W-01157A-05-0706  
Application for Extension

Litchfield Park Service Company  
Docket No. SW-01428A-05-0022  
Application for Extension for Sewer

